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8 Are Detained As Spies in Ring Against NATO

By Jeff Gerth New York Times Service WASHINGTON — The United States and West Germany have uncovered a spy ring that has been supplying Hungarian intelligence agents with secret Western military documents...



FIRE SWEEPS CENTRAL LISBON — One person was killed and 29 were injured on Thursday as fire destroyed 10 blocks of Lisbon's historic Chiado shopping district.

European Central Banks Increase Interest Rates; Dollar and Stocks Slide

By Ferdinand Protzman International Herald Tribune FRANKFURT — Major European central banks raised key interest rates on Thursday in a coordinated move meant to ease inflationary pressures and halt the recent advance of the dollar.

U.S. GNP Data Confirm Inflation Is Quickening

By John M. Berry Washington Post Service WASHINGTON — The U.S. economy expanded at a brisk annual rate of 3.3 percent in the second quarter of the year, but inflation accelerated at its fastest pace in almost six years...

Disorder Reported To Paralyze Burma

By Keith B. Richburg Washington Post Service BANGKOK — Burma appeared to be slipping into chaos on Thursday night, with Rangoon and most other cities paralyzed by strikes and mobs reportedly looting rice warehouses and burning down government buildings.

Kiosk

Bogotá Judge Orders Arrest BOGOTÁ, Colombia (AP) — A Colombian judge ignored a death threat on Thursday and ordered the arrest of Colombia's biggest reputed cocaine trafficker in the murder of a newspaper publisher.

Poland Takes Tougher Action on Strikes

By Jackson Diehl Washington Post Service WARSAW — The government of General Wojciech Jaruzelski appeared close on Thursday to gaining control over a 10-day outburst of strikes around the country.

Vice President George Bush is escalating the debate over the pledge to the U.S. flag.

Page 3.

Business/Finance

BAT Industries will pay \$5.2 billion for Farmers Group, a U.S. insurer. Page 11.

The Dollar in New York

Table with exchange rates: DM 1.8645, Pound 1.8975, Yen 133.30, FF 8.3335.

A Gorbachev Gamble: New Baltic Nationalism

By Bill Keller New York Times Service MOSCOW — The slogans and the speeches in the three Baltic republics this week must have burned the ears of the more conservative freedom, they will be more eager to take the lead in his plans to revive the Soviet economy.



Foreign Minister Tariq Aziz of Iraq, above, preparing to greet the UN secretary-general, Javier Pérez de Cuéllar, in Geneva. He was arriving for peace talks with an Iranian delegation led by Foreign Minister Ali Akbar Velayati, bottom left.

Iranians And Iraqis Open Talks

By Patrick Tyler Washington Post Service GENEVA — The first face-to-face negotiations between the foreign ministers of Iran and Iraq adjourned Thursday night after what the United Nations secretary-general, Javier Pérez de Cuéllar, described as a "serious beginning" to finding a peaceful settlement to the Gulf War.

Looking Down, Tokyo Grows

By Margaret Shapiro Washington Post Service TOKYO — What does an overpopulated, traffic-clogged, densely built city do when it has no place left to build? If the city is Tokyo, one answer is to burrow underground.



See GULF, Page 2

See RATES, Page 15

Europe's Mail Moves Posthaste (With Notable Exceptions)

By Barry James International Herald Tribune

PARIS — Would you believe Europe's mails are getting better? Well, they are, if only slightly — with some notable exceptions, like Italy and Spain. It takes an average of 4.3 days to deliver a letter...

for letter delivery is improving, standards vary widely. The worst is in Italy, where it takes an average of 8.5 days to deliver a letter. Mr. Saramago said the poor quality of this service, however, meant electronic mail was more developed in Italy than anywhere else in the EC.

Community officials acknowledge that harmonization of mail services is becoming increasingly important as the EC approaches its target date of 1992 for the creation of a single, 320-million-person market. About 30 percent of letters are business-related.

ations at stake. It is not an easy matter for us to bring out a directive on postal services. In the antitrust area, however, the commission is interested in the way the post offices wield their monopolistic power.



Simon Chinnell, secretary of the European postal administrations conference, said the private companies prospered by taking the city-to-city business while ignoring the public-service costs of delivering to every remote hamlet.

WORLD BRIEFS

Pakistan Military Is Warned on Coup

ISLAMABAD, Pakistan (Reuters) — Pakistan's new army chief warned senior officers on Thursday against any "ill-planned steps," and he pledged support for elections scheduled for Nov. 16, the state television said.

U.S. Suggests Deal on Angola Pullout

BRAZZAVILLE, Congo (Reuters) — The United States has proposed a compromise in an attempt to achieve agreement on a timetable for the withdrawal of Cuban troops from Angola, officials at the Angola peace talks said Thursday.

Karajan Quits Salzburg Directorate

SALZBURG (AP) — Herbert von Karajan, a native of Salzburg who has conducted at its summer festival since 1948, announced his resignation Thursday from the festival directorate, effective Sept. 1.

U.S. Allows Some Panama Payments

WASHINGTON (Reuters) — The United States has eased a ban on payments to General Manuel Antonio Noriega's government in Panama, eliminating regulations that made it virtually impossible for U.S. companies to survive there.

TRW Guilty of Procurement Fraud

CLEVELAND (AP) — TRW Inc., a defense contractor, pleaded guilty Thursday to conspiring to overcharge the government of up to \$13 million for military aircraft and M-1 tank parts and agreed to pay \$3 million in fines.

Soviets Reveal Growing Illegitimacy

MOSCOW (Reuters) — The Soviet Union, in its first official disclosure of statistics on illegitimacy, has reported more than 500,000 births to unmarried mothers each year.

For the Record

Captain Alexander Ballan, a U.S. Navy commander of the amphibious transport dock Dubuque, in a hearing at San Diego has chosen to face a court-martial rather than accept less severe penalties.

TRAVEL UPDATE

Foreign airlines flying in and out of Nigeria are now required to submit passenger manifests to Nigerian immigration authorities at least two hours before arrival or departure, the News Agency of Nigeria reported Thursday.

BURMA: Mobs and Strikes Said to Threaten Chaos

(Continued from Page 1) with no one in control. Many local government offices in Rangoon had earlier been ransacked by mobs and were deserted Thursday.

Gulf Cease-Fire: Blend of Joy and Dread

By Alan Cowell New York Times Service

BAGHDAD — The cease-fire between Iraq and Iran has stilled eight years of war and given rise to forgotten and conflicting passions in Baghdad: release and joy and a dread that the fledgling peace is yet too frail to hold.

Casualties from the rain of bullets may have run into hundreds, a Western diplomat said. A team of 350 United Nations representatives from 24 countries is in place along the 1,200-kilometer (740-mile) frontier to monitor the cease-fire, which became possible after Iran's acceptance in July of a Security Council resolution approved a year ago.

GULF: Iran and Iraq Open Talks

(Continued from Page 1) ever resumed a face-to-face posture, but he said that the two delegations would meet again Friday morning "in exactly the same scenario."

Other reports mentioned Iraqi and Iranian soldiers, enemies in a war that is estimated to have claimed one million lives, fraternizing over tea in remote areas of the front.



A FRIENDLY EXCHANGE — Prime Minister Noboru Takeshita of Japan, left, and Prime Minister Li Peng of China exchanging albums of commemorative stamps Thursday in Beijing.

Suspected Collaborator Is Killed on West Bank

JERUSALEM — About 30 masked men killed a West Bank Palestinian accused of collaborating with Israeli agents, Arab residents and the Israel radio said Thursday.

POLAND: Harder Line on Strikes

(Continued from Page 1) strikes in the shipyards and port of Gdansk.

BALTIC: A Gorbachev Gamble on Nationalism Surge

(Continued from Page 1) denouncing the "illegal Soviet occupation" of the Baltics.

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Advertisement for Barry's New York Bar, featuring the oldest cocktail bar in Europe.

Advertisement for BURMA: Mobs and Strikes Said to Threaten Chaos, continuing from Page 1.

Advertisement for BURMA: Mobs and Strikes Said to Threaten Chaos, continuing from Page 1.

Vertical advertisement on the right edge of the page for Quayle Chal Dukakis, Ca Him 'Anti-D'.

# Quayle Challenges Dukakis, Calling Him 'Anti-Defense'

By Maureen Dowd  
New York Times Service  
ST. LOUIS — Seeking to move beyond what he called "the distractions" of the controversy over his military record, Senator Dan Quayle has denounced Governor Michael S. Dukakis, the Democratic candidate for president, as "anti-defense."

"One of the worst false impressions Mr. Dukakis has put forward is the idea that he stands for a strong national defense," the Republican vice-presidential nominee said in a speech Wednesday to the United States Association of the National Guard of the United States.

"Maybe he sincerely believes that," Mr. Quayle said. "But he is on the opposite, and that position has been clouded over by the distractions of the last few years."

Speaking to a sympathetic audience of former and current National Guard personnel that gave him several standing ovations, Mr. Quayle tried to exorcise the specter of special treatment with regard to his enlistment in the guard during the Vietnam War.

"I'm not looking for any medals," he said. "And I'm not asking for a pat on the back. But let me say: I served. I served loyally, and I served to the best of my ability. I served for 20 years, and I have no regrets. I am not ashamed of it now."

On Thursday, Mr. Quayle said he is getting a little bit of hearing about the guard. The Associated Press reported from Booneville, Missouri, "I've answered questions for seven days now," he said. "We're going to talk about jobs. We're going to talk about other issues that the American people are interested in."

Instead of worrying about his military record, he told the group, country should worry about Dukakis' inexperience in military affairs and national security.

The roll call of Michael Dukakis' defense and foreign-policy positions amounts to a litany of re-act," Mr. Quayle said.

Mr. Dukakis, he said, is not the niling man on the podium in la-la-land.

Rather, Mr. Quayle said, "He is a man who described our liberalism as 'reckless foreign policy' and a misuse of power, and posed our air strikes against the Syrian madman, Gadhafi. I respectfully disagree."

As an example of the "anti-defense attitude" of Mr. Dukakis, Quayle cited the Massachusetts governor's "refusal to allow state to participate in the little-known but vitally important Round Wave Emergency Network." Mr. Quayle defined the network as an emergency communication system designed to transmit warnings if the United States is under attack.

system because of environmental concerns and problems with the way the U.S. Air Force conducted its site selection.

Mr. Quayle was on his first solo campaign swing after two days of meetings in Washington with his new advisers. One of those advisers said the running mate of Vice President George Bush was given three words to campaign by: "Future, future and future."

**Sharp Attack by Dukakis**  
Mr. Dukakis accused the Reagan administration Thursday of "criminal" dealings with General Manuel Antonio Noriega of Panama and demanded that President Ronald Reagan and Mr. Bush explain why the United States has "been in bed with General Noriega," The Associated Press reported from Cleveland.

In a sharply worded attack on the Reagan-Bush anti-drug effort, Mr. Dukakis said the administration's indifference to the war on drugs threatened the children, families, schools, streets and economy of the United States.

"The most serious threat to our national security in this hemisphere is the avalanche of drugs that is pouring into this country and poisoning our kids," he said. "And it is the drug traffickers and those who come for them who are the enemies of everything we stand for in the world today."

He cited Mr. Reagan for refusing to seek help from leaders in South and Central America to curb drug trafficking. He said that if elected he would use more foreign aid to assist countries there in eradicating drug crops and protecting public officials whose lives are endangered by drug cartels.

**Poll Shows Virtual Presidential Tie**  
WASHINGTON (Continued Dispatches)—A Washington Post-ABC News Poll indicates that Vice President George Bush has overcome a lead by Governor Michael S. Dukakis among those most likely to vote and that the early controversy surrounding Mr. Bush's running mate, Senator Dan Quayle of Indiana, does not yet appear to have hurt the Republican chances significantly.

The survey showed Mr. Bush with a lead of 48 percent to 46 percent over Mr. Dukakis among a random sampling of 1,123 likely voters. The two-point lead was within the margin-of-sampling error of three percentage points, meaning that neither candidate could be said to be ahead.

**Bush Shuns 2 Debates With Dukakis**  
WASHINGTON (WP)—Vice President George Bush has announced that he does not plan to debate Governor Michael S. Dukakis before Sept. 20. The Dukakis camp denounced the decision as an effort to limit the number of debates.

The announcement on Wednesday in effect canceled two long-scheduled debates, one Sept. 8 in Birmingham, Alabama, sponsored by the League of Women Voters, and one Sept. 14 in Annapolis, Maryland, under the sponsorship of the bipartisan Commission on Presidential Debates.

Mr. Dukakis has already committed himself to a series of debates sponsored by the commission, three presidential matchups and one between the vice presidential candidates. He said Wednesday that he would be at Annapolis to debate even without Mr. Bush. His campaign chairman, Paul Brown, called Mr. Bush's reluctance to debate before Sept. 20 "inexcusable" and "shocking." A Bush aide called Mr. Brown's "frill of balloons."

**Bush Escalates Debate on Pledge to Flag**  
By Steven V. Roberts  
New York Times Service  
LOS ANGELES — Vice President George Bush, the Republican nominee for president, has escalated his argument with Governor Michael S. Dukakis of Massachusetts, Democratic candidate, over the Pledge of Allegiance to the flag, saying he would have signed a bill urging teachers to lead their classes in the pledge that Mr. Dukakis vetoed.



**SCHOOL ISOLATES AIDS VICTIM** — Parents examining the booth that a school in Tampa, Florida, has set up to isolate a 6-year-old AIDS victim from her classmates. The girl's mother has objected, however, and has said she will keep her daughter out of the school despite a court order.

# U.S. Legal Experts Split in Debate Over Pledge of Allegiance in Schools

By David G. Savage  
Los Angeles Times Service

**WASHINGTON** — Legal experts are divided on whether Vice President George Bush or Michael S. Dukakis, the Democratic presidential nominee, is right in a dispute over Mr. Dukakis' veto of a Massachusetts law requiring the Pledge of Allegiance to the flag in schools.

But most experts, citing a Supreme Court decision made in 1943, have sided with Mr. Dukakis. The decision declared that U.S. citizens are free to ignore government demands that they pledge their support for "orthodox" views, even if this means refusing to salute the U.S. flag.

"If there is any fixed star in our constitutional constellation," wrote Justice Robert H. Jackson in the case of West Virginia Board of Education v. Barnette, "it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism (or) religion... or force citizens to confess by word or act of faith therein."

Mr. Dukakis relied on the 1943 decision in 1977 when he vetoed a law that would have required all teachers in Massachusetts — at the risk of a \$5 fine — to begin every school day by leading the Pledge of Allegiance.

For decades, Justice Jackson's opinion was cited as one that set forth the clear principle that no American could be compelled to endorse any particular opinion.

Some lawyers, however, contend that the issue is not so clear. Did the court intend to strike down all laws mandating flag salutes and pledges in schools? Or did it merely intend to require that dissenting students, such as the children of the Jehovah's Witnesses who appealed the Barnette case to the Supreme Court, be exempted from the requirement of saluting the flag?

Conservative legal experts say the more narrow view is correct. Jeffery D. Trout, legal director of the Free Congress Foundation, said, "As long as the children can be excused for reasons of conscience, there is nothing unconstitutional about a mandatory Pledge of Allegiance."

Legal experts backing Mr. Dukakis note that the Massachusetts

State Supreme Court concluded in an advisory opinion for the governor that the law should be rejected. "Although the Pledge of Allegiance is unobjectionable," the court said, "the teaching of the Barnette decision is clear."

A University of Virginia law professor, A. E. (Dick) Howard, said he had "no doubt at all" that Mr. Dukakis had made the right decision.

"The teaching of Barnette is that the state cannot require public affirmation of a particular point of view," Mr. Howard said. "So I don't see that he had any other choice."

**Hong Kong Crushes 10,000 Fake Watches**  
United Press International  
**HONG KONG** — Using a steamroller and razors, customs officials have destroyed thousands of counterfeit watches and leather items to keep the fakes out of the hands of tourists and protect Hong Kong's business image.

It took about 10 passes by the steamroller to crush the 10,000 fake watches. Then three customs officers slashed 700 counterfeit wallets and handbags before tossing them into an incinerator.

**Pinochet Likely Choice**  
Eugene Robinson of The Washington Post reported earlier from Buenos Aires:

The presidential candidate to be chosen Tuesday — widely expected to be General Pinochet — would serve an eight-year term if approved by the voters, after which the constitution calls for a transition to democracy.

The opposition has run a coordinated campaign for a "no" vote. The plebiscite has not yet been scheduled but is expected to take place early in October.

# Chile Opposition Wary Of Liberalization Step

**SANTIAGO** — Opposition leaders have called the end of emergency powers in Chile cosmetic, and they are demanding greater access to television and the return of political exiles before a national election expected in early October.

The opposition said, however, that the ending of the special powers, announced Wednesday, would reduce the number of arrests and allow opposition groups to hold political rallies freely.

The state of emergency that has been in effect virtually since the armed forces seized power under General Augusto Pinochet in a 1973 coup, as well as the decree of a "state of danger to the internal peace," were to end upon publication of a decree in the official gazette on Friday, officials said.

Patricio Aylwin, leader of the Christian Democrats, the largest opposition party, said the lifting of the state of emergency was a minimum condition for a fair election.

"It is a cosmetic move by the government," he said, "but one that has practical implications for the opposition, which can now, in theory, hold meetings without getting permission first."

Mr. Aylwin urged the government to guarantee the right of assembly and freedom of expression during the campaign, which officially begins Tuesday when the junta is to meet to nominate the single presidential candidate who will stand in the "yes" or "no" plebiscite. Opposition groups plan anti-government demonstrations if General Pinochet is nominated.

A labor union leader, Manuel Bustos, said the conditions for a legitimate plebiscite had improved, but he urged the government to lift a ban on the return of more than 300 political exiles.

The emergency decrees gave the government extraordinary powers to limit public gatherings, restrict the press, arrest and hold people without judicial authorization and exile people who were deemed dangerous to security.

Ricardo Lagos, an opposition leader who has been a key figure in the "no" campaign, said Wednesday night: "I think it's very early to offer an opinion on what Pinochet has done. Let's see if Chileans are allowed to meet freely. Let's see if exiles are allowed to return. Let's see if journalists are allowed to write freely."

"Eventually," he said, "we will find out whether this really means something or if it is just a cosmetic act."

**Stolen Art Recovered in U.S.**  
The Associated Press  
**BALTIMORE** — A Chinese porcelain vase and other art objects stolen from the Walters Art Gallery on Aug. 16 have been discovered in a museum guard's basement, the FBI said. The stolen articles were valued at \$500,000 to \$1 million.

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James R. Fees, Chairman

Herald INTERNATIONAL Tribune

Sudan: Help Needed, Now

As if civil war, a \$12 billion debt, locusts and drought were not enough, Sudan now finds its capital inundated by an overflowing Nile. In just two days this month, six times as much rain fell on Khartoum as in all of 1987.

'Competitive' Trade Bill

The U.S. trade bill recently signed into law has a long section on education programs that are supposed to strengthen international "competitiveness."

Quayle's Slender Record

Senator Dan Quayle's opponents charge that, quite apart from his decision to join the National Guard at the height of the Vietnam War, he is merely an amiable and ambitious lightweight, not to be taken seriously as a contender for vice president.

Other Comment

Will There Be a Difference? With its commendably candid report on the destruction of the Iranian airliner, the Pentagon has implicitly acknowledged that there is no significant difference between this episode and that in 1983 when Soviet defense forces shot down Korean Air Lines 007.

In Foreign Policy, Experience Counts Not

NEW YORK — Republicans are arguing these days that Michael Dukakis's lack of experience in foreign affairs disqualifies him for the U.S. presidency. It is a little surprising to hear this thought from the lips of those who supported Ronald Reagan for the presidency in 1980.



A Nuclear Pakistan Would Be a Time Bomb for All

LONDON — Will the death of Mohammed Zia ul-Haq make Pakistan think again about its nuclear weapons program? Under his rule, the country came to the threshold of making a bomb.

In New Caledonia, a Breathing Space

CANBERRA, Australia — When Prime Minister Michel Rocard of France arrives in New Caledonia on Friday to consecrate an agreement between the nationalist Kanak Socialist National Liberation Front and its loyalist opponents, he no doubt will take justifiable pride in a remarkable achievement.

Neither side wants a return to bloodshed; both sides think the French government proposals offer them many opportunities.

bloodshed and chaos of earlier this year, and both sides believe that the proposals of the French government offer them considerable opportunities.

OPINION

Perestroika? The Captives Are Restless

WASHINGTON — Cracks are appearing in the Eastern European foundations of the Soviet empire. In Czechoslovakia, 10,000 demonstrators marked the 20th anniversary of the crushing of the Prague Spring with a march through that captive city shouting "Russians go home!"

100, 75 AND 50 YEARS AGO

1888: A Codfish War? LONDON — President Cleveland is to be thanked by club and pressman for giving them by his Fisheries message a good topic in the "silly season."

Bush's Discipline Just May Win

NEW ORLEANS — The Republican Party is a real political party. It is organized, directed, and they know how to win elections. They know what to do about it. They know what to do about it.

GENERAL

Burundi Hutus Struggle

By Blaine Harden Washington Post Service BURUNDI — The Hutu killing that in the past two weeks has claimed more than 5,000 lives in this tiny Central African nation was triggered by a surprise attack by members of Burundi's majority Hutu tribe wielding machine guns, according to a senior government official.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1988-1992 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

Bomb Falls on Soviet Plane

MOSCOW — A crude bomb was hidden in the luggage of a Soviet woman flying from Kiev, the Ukrainian capital, to the Volgograd city of Kuybyshev, but it failed to explode, according to the Soviet press agency Tass.



EUROPEAN TOPICS

Italy to Clean Up Polluted Adriatic

The environment minister of Italy, Giorgio Ruffolo, has announced special measures to attack the pollution of the Adriatic Sea...

Soccer Suspects Face Commuter Trial

The British Foreign Office has rejected a plea for financial help for 26 Liverpool soccer fans facing trial in Brussels in the deaths of 39 spectators during a riot at the Heysel soccer stadium in 1985.

Around Europe

The winner of this year's Nobel Peace Prize will be announced Sept. 23, according to the Nobel Foundation in Stockholm.

Moscow city authorities have banned 'rockers' or groups of young motorcyclists, from the city's streets between 11 P.M. and 7 A.M., but the ban is 'practically being ignored,' according to Pravda.



SEALING A FATE—A rescuer cradling a pup found off the English coast, sick with a virus that has killed thousands of seals. Scientists believe chemical dumping may be the cause.

Sweden's Social Democrats Uneasy On Voter Reaction to Palme Inquiry

By Steve Lohr New York Times Service STOCKHOLM — The leaders of the Social Democratic Party, which has ruled Sweden for 50 of the last 56 years, were worried a few months ago that overconfidence would be the party's main problem in elections next month.

The outcome of the Sept. 18 election is suddenly in doubt because of a rare Swedish political scandal, centering on the government's handling of an investigation into the murder of Prime Minister Olof Palme on Feb. 28, 1986.

ously little known, become celebrities, and the hearings offered a revealing glimpse at the workings of government, raising questions about competence and abuse of power.

Mr. Carlsson's investigation came public in early June, when he expressed a Stockholm Daily Express that he was traveling with a policeman as a bodyguard.

INTERNATIONAL REAL ESTATE MARKETPLACE

Real estate listings organized by region: MALLOCCA, AUSTRIA, BAHAMAS, CORSICA, DOMINICAN REPUBLIC, MONACO, USA GENERAL, USA COMMERCIAL & INDUSTRIAL, USA RESIDENTIAL, CALIFORNIA, NEW JERSEY, HAWAII OCEANFRONT, WASHINGTON AREA, BOSTON, MASS., ITALY, PARIS AREA UNFURNISHED, NEULY BOIS, GRECE, HOLLAND, SOUTH AFRICA, EUROPE, NORTH AMERICA, MIDDLE EAST, AUSTRALIA, NEW ZEALAND. Includes details on properties for sale, rent, and investment.

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Copenhagen... The Little Mermaid... Riding a Goat... Flying Boat... at two pubs along Greenbrook Ave in U.S. England.

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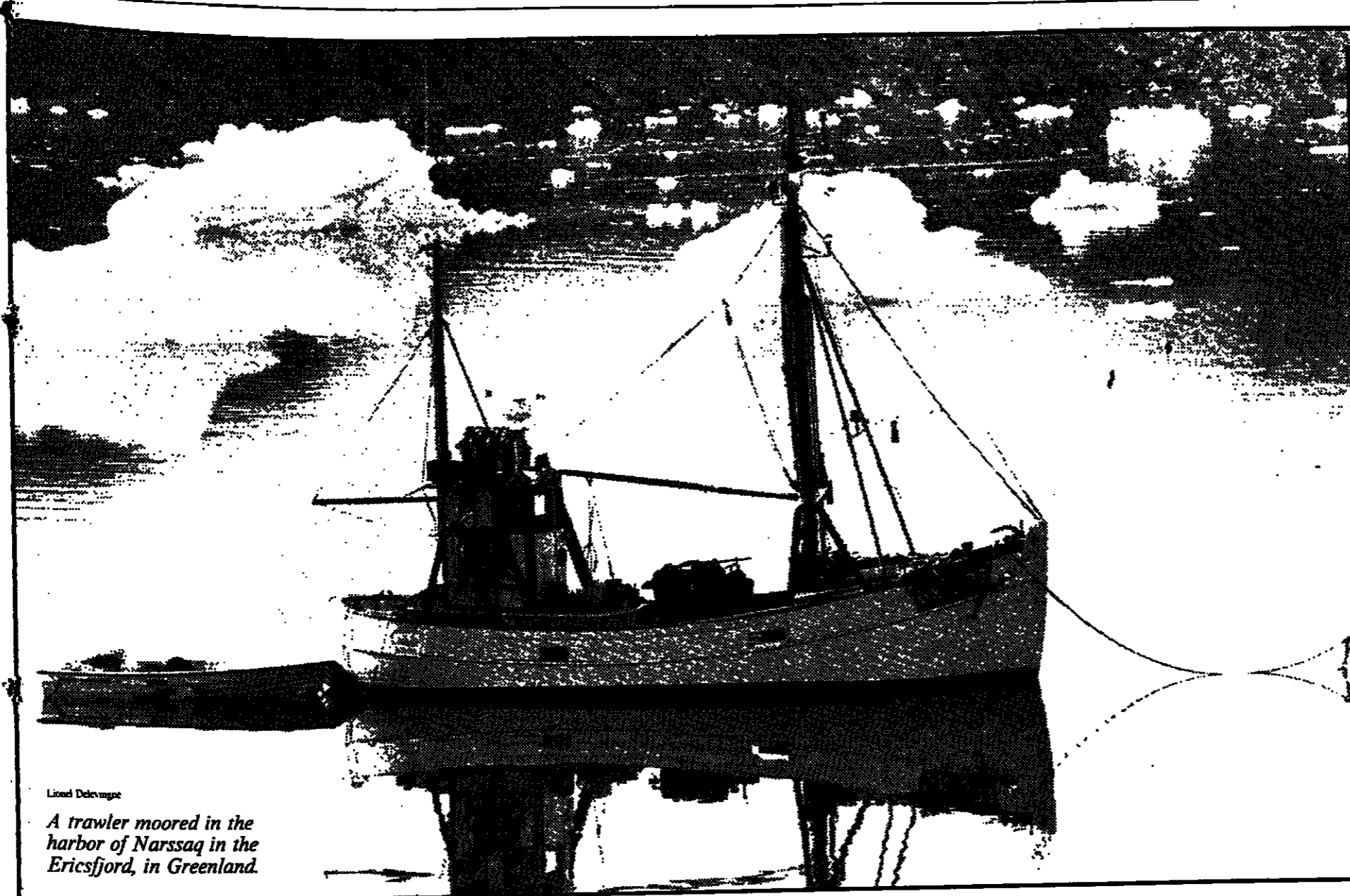
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PLACE

# TRAVEL

- *Beating the Air Travel Blues*
- *A Surprise Dining Discovery*
- *East and West in Ethnic L.A.*

International Herald Tribune



A trawler moored in the harbor of Narssaq in the Ericsfjord, in Greenland.



Icelandic guides take compass readings.

## TRAVELER'S CHOICE

### In the Footsteps of Jack the Ripper

In the late summer and early fall of 1888, Jack the Ripper stalked and murdered five women in the dark side streets of Whitechapel in London's East End. On the 100th anniversary of two of the killings, on Aug. 29 and Sept. 30, special walking tours are scheduled through the neighborhoods where Jack the Ripper killed his victims. The tours, conducted by London Walks, visit the scenes of the crimes and provide details about Jack the Ripper's victims and methods. The walks, which begin at 7:30 P.M. at the Tower Hill Underground station, cost about \$4.10 and take about two hours. Jack the Ripper Centenary walks are also offered every Tuesday at 7:30 P.M. and Thursday at 2 P.M. The Tuesday walks include a stop at two pubs along the way. Information: London Walks, 10 Greenbook Avenue, Hadley Wood, Hertfordshire EN4 0LS, England.



### Copenhagen's Little Mermaid Is 75

The Little Mermaid, staring out to sea from her rocky perch in Copenhagen harbor, turned 75 Tuesday. She was honored with a gun salute and a laurel from the lord mayor. The bronze statue was created in honor of storyteller Hans Christian Andersen, who died in 1875. It was based on his fairy tale of the daughter of the sea king who fell in love with a prince and who was doomed to wait 300 years before she could turn human. Lord Mayor Egon Weigekamp led the birthday party, placing a wreath of flowers around the neck of "Den Lille Havfrue," as she is known in Danish. The mermaid is one of Copenhagen's most popular attractions, drawing about 500,000 visitors a year to the Langelinie quay. Her fame also has attracted vandals. She was beheaded in 1963, close to her 50th birthday, and a few heads were cast from the original mold. Police called on its homicide division to handle the case, even though the squad was dealing with 16 unsolved murders. The head was never recovered. Twenty years later bootleggers amputated an arm, which also was replaced. She was created by Edvard Erikson, who took the face of the Danish ballerina Juliette Price and modeled the statue's upper body from his wife. Erikson authorized about 50 half-sized replicas to be placed in public areas around the world, including Salt Lake City, Stanford University in California and San Francisco.

### Riding a Gold Rush Railroad

The White Pass and Yukon Railway, a narrow-gauge railroad built during the Klondike gold rush from 1898 to 1900, is now carrying tourists on a 20-mile segment of the former 110-mile line between Skagway, Alaska, and the White Horse, in the Yukon Territory. Twice a day through September, the railway's antique, open-platform cart carries passengers on a three-hour round trip from Skagway pier to the 2,900-foot summit of White Pass. Skagway pier is on the United States-Canadian border. The tracks parallel the White Pass Dead Horse Trail, along which nearly 1,000 pack animals died during a gold rush in 1898. Fare for the excursion is \$67. Information: White Pass and Yukon Railway, Post Office Box 433, Skagway, Alaska 99840.

### Flying Boat Back on Duty for Safari

A flying boat, one of the amphibious planes built in the early 1940s, will be back in service for African expeditions. The plane, which seats 16, has been renovated and will take participants on a safari Nov. 26 to Dec. 22 and will take participants on a safari Nov. 26 to Dec. 22 and will take participants on a safari Nov. 26 to Dec. 22. Stops will include Victoria Falls in Botswana. Stops will include the Okavango Delta in Malawi, Zanzibar, Ngongoro Crater in Tanzania, Nairobi and Lake Turkana in Kenya, Khartoum in Sudan, and Abu Simbel and Luxor in Egypt. The price per person is \$13,750, not including travel to and from Africa. Half-trip portions are \$8,200. Information: Mountain Travel, 1398 Solano Avenue, Alhambra, California, 94706, or Gazetrackers, 100 East Broadway, Glendale, California, 91205.

# Greenland and Iceland: Some Cool Escapes

The world's largest island, Greenland is a land of glaciers that is more varied and accessible than travelers might imagine.

by Dale M. Brown

NARSSARSSUAQ, Greenland — Greenland had always seemed to me to lie at the edge of the Earth, well outside the traveler's reach. For the Norsemen who settled in the Arctic 1,000 years ago, it was indeed at the edge. Beyond it, they believed, lay Ginnungagap, the abyss. Because of its remoteness, this land of theirs — and of the 52,000 Eskimos and Danes who inhabit its coastal areas — is a place not yet "discovered." In a week you can explore its mountainous south on foot, by boat and by helicopter, breathing incredibly clean air and enjoying the most beautiful of all sculptures: the icebergs that come calving off the numerous glaciers. The easiest approach is by air. The flight is the kind that has the window-seat passengers leaning toward the glass and those beside them craning over their shoulders for a view of the pack ice rimming the eastern coast. Then comes the icecap, a creamy-colored mass that covers 85 percent of the land and is piled more than two miles deep at its thickest point; were it to melt, it would raise sea levels around the world by almost

20 feet (6 meters). As the plane veers south, heading toward peaks that the ice once buried, the cap's force quickly becomes apparent. Here the land lies bruised and scarred by the ice, pocked by glacial lakes and split by innumerable fjords.

Thus to find Narssarsuaq, a tiny community of 146 inhabitants, waiting and welcoming comes as a surprise. More surprising is the Arctic Hotel, a few hundred yards from the airstrip. Comfortable and attractively furnished (a double room with bath goes for \$140 a night), it treats guests with full Danish hospitality.

THIS largest of the world's islands now has home rule but preserves political, economic and military ties with the mother country. As evidence of the connection, the hotel receives almost all its food from Denmark by air and ship. What its four Danish chefs do with the imported ingredients is nothing less than amazing: They prepare everything from *wienerbrød*, Danish pastry as flaky and buttery as any you are likely to have in Copenhagen, to three-course dinners of excellence and elegance (about \$26 a person).

There is something quite extraordinary



Greenland Eskimo soapstone art.

Continued on page 9

A ski trek across Iceland's rugged landscape tests the endurance of visitors and inhabitants alike at any time of the year.

by Louise Levathes

IT was snowing heavily when we crossed the pass. The white sky merged with the white slope and I lost sight of the skiers in front of us. "Which way should we go?" I asked my friend, Thora Thorhalsdottir. "I can't see anything." Thora, a botanist who knew this remote area in Iceland's southern highlands, took the lead of our small group as we hastened to catch up with the others. But visibility was getting worse. Thora continued for a while, then stopped and pulled out her compass. She was soon joined by Gudmundur Petursson, one of our guides, and they took a reading.

"We know what direction we should be heading," she said to me, trying to be reassuring. "We just don't know exactly where we are."

We're lost, I thought. But I didn't say anything. One of the things I like about Icelanders is their optimism. Life on this barren island at the edge of the habitable world is so physically demanding that the 240,000 Icelanders tend to belittle their problem. One of my companions said you can never really get lost in Iceland because

it's an island. An island, yes, about the size of East Germany.

The remark was of little comfort as we spent the next hours laboriously navigating by compass in the blinding storm. I was beginning to wonder if this five-day cross-country ski trip into Landmannalaugar, a thermal area just north of the Myrdalsjökull glacier, wasn't more of an adventure than I had bargained for.

Early that morning, our group of 37, mostly Icelanders, which the Touring Club of Iceland had organized for this Easter holiday excursion, had boarded a chartered bus in Reykjavik for the two-hour drive to Sigalda, a hill near the Burfell power station on the edge of Iceland's largest lake, Thórsvatn. Iceland's interior is pockmarked with volcanoes and largely deserted and we were on one of the few roads inland. Although the weather was mild in Reykjavik — about 50 degrees Fahrenheit (10 degrees Centigrade) — as we approached the power station, it grew colder and started snowing. At Sigalda, our food and gear were loaded on waiting jeeps and snowmobiles for the 19-mile (31-kilometer) trip south to Landmannalaugar and we set

Continued on page 9

## A Castle's Secret Treasure

by Claire Frankel

THE smoking room at Highclere Castle, about 40 miles west of London, looks pretty much as it has for years, with its large brown leather sofa and chairs. The carved wooden fireplace, terra-cotta-colored walls and inlaid marble table under Canaletto paintings make a male retreat that must have seen many a bridge or gin rummy game.

The adjacent room, all cream and roses, was the sitting room of the mother of the present resident, the seventh Earl of Carnarvon. Her portrait, painted in 1929, shows an elegant woman with blond, bobbed hair in a creamy satin dress, and the room's colors were chosen to match.

In between the two rooms, the doors have been removed to reveal the castle's once-secret treasure — Egyptian artifacts unearthed by the fifth earl, an Egyptologist who had financed, among other things, the excavation of King Tutankhamen's tomb.

In a passageway through the three-foot-thick interior walls, Plexiglas covers wooden cubbyholes containing old cigarette cans that held the artifacts, which were discovered last year and moved to display space in the castle.

Highclere was opened to the public early last month. On exhibit are about 300 Egyptian pieces from excavations of various sites at Thebes and Tel Balamun, as well as the castle's Reynolds and Van Dyck paintings, French furniture and beautifully renovated, silk-lined rooms.

WHAT had been the music room displays the Egyptian relics, including fragments of carved wood on faces, originally idealized portraits of Amenhotep III (also known as Amenophis), Tutankhamen's grandfather. An Apis bull cast in bronze dates from around 400 B.C., an ivory figure of a woman to 1700 B.C., and a double-headed falcon sphinx is inscribed with the name of King

Shabaka, who ruled during the seventh century B.C. Tweezers, an archer's wrist guard, and miniature agricultural implements like axes, saws and screwdrivers, all about 3,500 years old, lie in glass cases. There are also smaller wooden pieces and fatene necklaces, along with bits of funerary papyrus from the Book of the Dead. In addition, a sarcophagus, one of the fifth Lord Carnarvon's discoveries at Thebes, is displayed on loan from the Newbury Museum, in nearby town Newbury.

The rediscovery of these items was made last summer when two film companies were to rent Highclere. Lord Carnarvon thought

*In a passageway through three-foot-thick walls, cubbyholes contained old cigarette cans that held the Egyptian artifacts.*

it prudent to make an inventory, so various experts were called in. At the end of their task, Lord Carnarvon recalled, everyone assembled, including Robert Taylor, the family's retired butler who started at Highclere in 1936. Lord Carnarvon recently recounted the conversation that followed:

He turned to Taylor and asked, "Is that the lot?" Taylor answered, "Yes, all except for the Egyptian stuff."

"Whatever do you mean? There isn't any here."

"Oh yes," Taylor said. "There are a few things behind two panels between two lots of doors." Lord Carnarvon, who had lived in the castle for 64 years, had never been through those doors.

The panels covered a two-foot-deep cavity in the wall fitted out in different-sized pigeonholes. Inside were the Egyptian antiquities. Scarabs and other wood pieces

were found on the floor of the castle's photographic darkroom along with a miniature ax head that was stuck to the old paint of a window sill, perhaps carelessly found and used by a decorator.

ACCORDING to Nicholas Reeves, an Egyptologist at the British Museum, this collection is not as important as the better-known one excavated by the fifth Lord Carnarvon and his private archaeologist, Howard Carter, between 1905 and 1920 and sold to the Metropolitan Museum of Art in New York for \$50,000. The artifacts at Highclere, Reeves said, are important mainly because they are the only known group excavated from the tomb of Amenhotep III.

The drawing room at Highclere was closed during World War II when the castle housed around 100 children and their helpers who had been evacuated from London. Furniture from various other rooms was stacked in the room to make space for the new residents. The door between the sitting room and the smoking room were locked.

After the war, the house was reopened and the room was again properly arranged. At that time, Taylor opened the doors between the drawing and smoking rooms, saw a tiny key in one of the wood panels and turned it. He was surprised to see cigarette tins, neatly placed in little pigeonholes, and he opened one of them. Inside was a blue fatene necklace. "I didn't look any further," he said. "I didn't pull anything else out. I just figured, well, it's no business of mine." Taylor assumed that the present earl's father knew what was there and did not feel it necessary to mention the tins.

The items were referred to only once, in an inventory done in 1924 when settling the fifth earl's estate. "Sundry Egyptian items, £25," the item read.

A dwelling has stood on Highclere's 5,500-acre (2,200 hectare) site since A.D. 900. In 1842, when the existing structure's



The saloon, a large central room of the castle.

Continued on page 8







NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 a.m. volume, NYSE adv. vol. close, etc.

NYSE Index table with columns for High, Low, Close, Chg.

Thursdays NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table with columns for Class, Prev.

NASDAQ Index table with columns for Class, Prev., Week Ago, Year Ago.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Class, Chg.

NYSE Diary table with columns for Class, Prev.

Odd-Lot Trading in N.Y. table with columns for Buy, Sales, %Chg.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for High, Low, Class, Chg.

NASDAQ Diary table with columns for Class, Prev.

AMEX Stock Index table with columns for High, Low, Class, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Falls on Inflation Fears

United Press International
NEW YORK — Concerns over higher inflation and European interest-rate increases combined Thursday to send prices lower in slow trading on the New York Stock Exchange.

oriented securities that don't have the risk exposure that this market has," Mr. Miller said.
The Commerce Department said inflation-adjusted GNP expanded at a revised annual rate of 3.3 percent in the quarter, up from the initial estimate of 3.1 percent.

But there are signs that Continental's revenue and net income rose this year and the bank's percentage of total assets has fallen below that of several competitors.

Large table of stock prices and market data on the left side of the page.

Large table of stock prices and market data in the middle-left section.

Large table of stock prices and market data in the middle-right section.

Large table of stock prices and market data on the right side of the page.

Vertical advertisement on the far right edge of the page, including 'WALL STREET' and '4 Years After Continental'.

WALL STREET WATCH

4 Years After U.S. Bailout, Continental Turns Around

By JULIA FLYNN SILER. NEW YORK — Ever since the Federal Deposit Insurance Corp.'s \$4.5 billion bailout of Continental Illinois Corp. in 1984, investors have been skeptical of the stock of this Chicago-based bank holding company.

Continental has been among the top-performing bank stocks this year. The promise of a further rise in the stock has been clouded, however, by the impending sale of the FDIC's 69 percent stake in the bank, which was disclosed last month.

Some investors have expressed concern that such a sale might dilute the stock and lower its price, although analysts said that the FDIC's stake had already been added into the bank's per-share calculations, and thus would not dilute the stock.

Other investors have wondered about the identity of a possible buyer, and what effect such a sale might have on Mr. Theobald's ability to carry out his strategy.

There have been rumors that First Chicago Corp., Continental's chief rival in the Midwest, and the financier Jay Pritzker might be interested in a joint purchase of the bank.

Representatives of both parties declined to comment. Some analysts say the acquisition of Continental might be valuable for a foreign bank.

"I can't imagine many domestic banks that could buy Continental," said Richard A. Mueller, a banking analyst at Duff & Phelps Inc. in Chicago.

"Those outside of the surrounding states can't legally buy Illinois banks, and those that could probably wouldn't because of Continental's size, with the one exception of First Chicago."

BAT Sets Farmers Merger

Price of Insurer Is \$5.2 Billion. By Andrea Adelson. LOS ANGELES — BAT Industries finally has obtained a definitive merger agreement from Farmers Group Inc. after raising its offer to \$75 a share, or a total of \$5.2 billion.

The agreement late Wednesday brought to an end an eight-month takeover battle, in which the insurance company, which is based in Los Angeles, stood firm against Britain's third largest company, BAT's principal business is tobacco, retailing and paper.

Farmers finally agreed to merger talks after a Los Angeles Superior Court judge overturned the California insurance commissioner's decision to block the takeover.

Within days of the ruling, BAT significantly improved its bid, to \$72 a share from \$63. Analysts said Farmers' directors would have risked shareholder lawsuits if they had refused to consider the new bid, and negotiations began last week.

The cash agreement is subject to shareholder and regulatory approval. Farmers, the nation's seventh largest property insurer and third largest auto insurer, has 10 million policyholders in 26 Western states.

Farmers has increased its annual earnings 17 years in a row, including periods when the rest of the industry was reporting losses.

"I am delighted that we have been able to achieve a friendly transaction," said Patrick Sheehy, chairman of BAT and its U.S. subsidiary, Batus Inc. He said Farmers' operations would continue essentially unchanged.

With the cooperation of Farmers and its member exchanges, Batus said it expected to obtain regulatory approval for the merger by year-end.

Leo E. Denlea Jr., Farmers' chairman, said that during the course of this week's negotiations, Batus had been able to satisfy concerns raised by Farmers during regulatory hearings.



Ford is counting on its 1989-model Thunderbird to help continue a string of sales successes.

No 'Black Clouds' at Ford Motor

Executives Upbeat as They Introduce New Models. By John Holusha. CAMBRIDGE, Mass. — Executives of Ford Motor Co. say that the outlook for car and truck sales remains strong despite forecasts by some industry analysts of an imminent slowdown.

Speaking on Wednesday at a news briefing for the company's annual introduction of new models, Ross H. Roberts, vice president of the Lincoln-Mercury division, noted that some sales forecasts at the start of the 1988 calendar year were as low as 9.9 million cars and 4.8 million trucks.

"Through Aug. 10, we're actually running at 10.6 million cars and 5.3 million trucks," he said. He added that for 1989, Ford anticipates total industry sales of 10.2 million cars and 5.2 million light trucks.

Total light-vehicle sales of 15.9 million this year and 15.4 million in 1989 would be close to the record of 16.3 million set in 1986.

Economic growth remains strong, unemployment low and interest rates relatively stable, Mr. Roberts said.

"We see nothing on the horizon — none of those black clouds you frequently hear about — that says business is going to be bad," he said.

Dollar Weakens After Europeans Move Against It

Compiled by Our Staff From Dispatches. NEW YORK — The dollar closed sharply lower against key foreign currencies Thursday, after increases in European interest rates and strong comments by Karl Otto Pöhl, president of the West German Bundesbank.

After the interest rate increases, three European central banks sold dollars, adding further downward pressure.

In New York, the dollar fell to 1.8645 Deutsche marks from 1.8825 on Wednesday. It also dropped to 135.30 yen from 133.85 to 1.5725 Swiss francs from 1.5855 and to 6.3335 French francs from 6.3955.

The British pound rose to \$1.6975 from \$1.6855. A British interest rate increase helped it overcome weakness linked to an unexpectedly large July trade deficit.

The key central bank move was the Bundesbank's decision to raise its discount rate to 3.5 percent from 3 percent. The West German central bank was defending the mark, which has fallen nearly 20 percent against the dollar since the beginning of the year.

West Germany's move was preceded by interest rate increases in France and Britain and followed by similar moves by the Swiss, Austrian, Dutch and Italian national banks.

Currency Rates

Table with columns for Currency, Bid, Ask, and other market data for various international currencies.

Table titled 'Other Dollar Values' showing exchange rates for currencies like the Australian dollar, Canadian dollar, and others.

Table titled 'Forward Rates' showing forward exchange rates for various currencies.

Interest Rates

Table titled 'Eurocurrency Deposits' showing interest rates for different deposit terms and currencies.

Table titled 'Key Money Rates' showing various money market rates.

Table titled 'Asian Dollar Deposits' showing interest rates for Asian dollar deposits.

Table titled 'U.S. Money Market Funds' showing data for various U.S. money market funds.

Table titled 'Gold' showing gold prices and other related market data.

British Trade Deficit Widens to £2.15 Billion

Revers. Economists say that the deficit is growing because of consumer spending, fueled by tax cuts and lower borrowing rates earlier this year. Bank interest rates were at 10-year lows in June before a series of hikes.

In a radio interview, Nigel Lawson, the chancellor of the Exchequer, called the July trade figures "unwelcome but said he had applied the proper remedy."

"The economy has been going ahead too fast," he said. "It is necessary to apply the brakes and that is what I've done."

Citing rising incomes, falling unemployment and higher manufacturing output, Mr. Lawson said, "The economy as a whole is doing extremely well."

The Treasury reported Thursday that the outlook for exports was good but that imports were growing too fast.

India Expected to Approve Joint Venture by Pepsi Cola

Revers. NEW DELHI — PepsiCo Inc., the makers of Pepsi Cola, are expected to win Indian government approval to participate in a joint venture, sources close to the government said Thursday.

The sources said PepsiCo had overcome strong resistance from Indian politicians and soft-drink makers who forced out its rival, Coca-Cola Co., 11 years ago.

PepsiCo would own 39.85 percent of the 200 million rupee (\$14 million) joint-venture company, which would produce Pepsi Cola, a fruit juice and potato chips.

PepsiCo's partners would be Volta Ltd., a subsidiary of India's biggest industrial conglomerate, Tata, and the state-owned Punjab Agro-Industries Corp.

The Punjab company would own 26 percent of the equity and Volta 24.56 percent, the sources said.



Trade Development Bank (TDB) and American Express Bank (Switzerland). Two traditions of strength and success.

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Head office: 96-98, rue de Rhodan, Geneva, telephone 022/37 21 11 or 32 65 80. Branch offices in Zurich, Babststrasse 20, telephone 01/219 61 11; in Lugano, Via P. Savarè, telephone 091/20 28 82; in London, 24 Grafton St., telephone (1) 491 22 11; in Nassau, Besant House, Bay Street.

Thursdays NYSE Closing

Tables include the narrowest prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High/Low, Div. Yld. PE, etc. Lists various stocks and their performance metrics.

(Continued)

Continuation of the NYSE Closing table, listing more stocks and their financial data.

Table with columns: 12 Month High/Low, Div. Yld. PE, etc. Lists various stocks and their performance metrics.

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(Continued)

Continuation of the NYSE Closing table, listing more stocks and their financial data.

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(Continued)

Continuation of the NYSE Closing table, listing more stocks and their financial data.

U.S. Futures Via The Associated Press

Table listing various U.S. futures contracts including Grains, Food, and Metals with their respective prices and changes.

Currency Options

Table listing currency options for various international currencies, including the Philadelphia Exchange.

Table listing international futures contracts such as PORK BELLIES (CME) and SOYBEANS (CBOT).

Table listing international futures contracts including various oil and metal futures.

Financial

Table listing financial data including U.S. Treasury bills and international exchange rates.

Table listing international futures contracts such as EURO DOLLARS (IMM) and SUGAR (ICE).

Table listing international futures contracts including various commodity futures.

Stock Indexes

Table listing various stock market indexes and their current values.

Market Guide

Table providing a market guide with information on various financial instruments and market conditions.

NYSE Highs-Lows

Table listing high and low prices for various NYSE-listed stocks.

Hong Kong's Growth Slows as Inflation Rises

Article discussing Hong Kong's economic performance, including inflation rates and government spending.

Boeing Breaks Record For New Plane Orders

Article reporting on Boeing's record-breaking new plane orders, including details on the 737-400 and 747-400 models.

Price Going Up On Steel for Cans

Article discussing the price increase for steel used in food cans, citing industry sources.

London Metals

Table listing London metal prices for various commodities like aluminum, copper, and zinc.

News Corp.

Article about News Corp. financial performance, including revenue and profit figures.

Texans to Pur...

Article discussing Texas investment and market activity, mentioning Texaco and other companies.

Analysts Rais...

Article reporting on analyst forecasts and market outlook, including mentions of IBM and other tech companies.

WALL STREET

Advertisement for WALL STREET featuring employment opportunities, general positions, and various services.

DM Futures Options

Table listing DM (Deutsche Mark) futures and options contracts.

U.S. Treasuries

Table listing U.S. Treasury securities including bills, notes, and bonds.

London Commodities

Table listing London commodity prices for various goods like sugar and coffee.

GEC Studying Short Brothers

Article discussing GEC's interest in Short Brothers, a British aircraft manufacturer.

Paris Commodities

Table listing Paris commodity prices for various international goods.

3 German Banks to Join Swiss Bond Syndicate

Article reporting on three German banks joining a Swiss bond syndicate.

Spot Commodities

Table listing spot commodity prices for various raw materials.

S&P 100 Index Options

Table listing S&P 100 index options contracts.

SOURN MELIKIAN

Advertisement for SOURN MELIKIAN, an art gallery or auctioneer.

BUSINESS ROUNDUP

News Corp. Profit Rose 27% in Year

ADELAIDE, Australia — News Corp. said Thursday that its profit rose 27% in the year ended June 30. Revenue increased 13.2 percent...



Rupert Murdoch

the loss for Fox Broadcasting Co., which is trying to build into the fourth U.S. television network...

Ultramar to Buy Oil Unit From Associated

LONDON — Associated Newspapers Holdings PLC said Thursday that it had agreed to sell its Blackfriars Oil & Gas Ltd. to Ultramar PLC for £110.2 million (\$185.1 million).

Feldmühle-Nobel Sales Rose 3% in First Half

DUSSELDORF — Feldmühle-Nobel AG, the former Fluck industrial group, said Thursday that world group sales rose 3 percent in the first half...

Mars Family Is Richest In the U.S.

NEW YORK — In a new report Fortune magazine estimates that the Mars family is worth \$12.5 billion, surpassing the Newhouse publishing dynasty as the richest family in the United States.

Texans to Purchase Insilco for \$1.1 Billion

MERIDEN, Connecticut — The Texas investors Caryl Wagner Jr. and Jack E. Brown are to acquire Insilco Corp. in a transaction valued at \$1.1 billion.

Hong Kong Company Buys Maxim's Hotel in New York

HONG KONG — Hongkong & Shanghai Hotels Ltd. said Thursday that it had agreed to buy Hotel Maxim's of Paris in New York from Novspark N.Y. Inc. for \$127 million in cash.

Ericsson's Net Rises 61% on Lower Sales

STOCKHOLM — The Swedish telecommunications group L.M. Ericsson reported Thursday that net profit in the first half rose 61 percent.

BAT: U.K. Concern to Acquire Farmers Group for \$5.2 Billion in Cash

(Continued from first finance page) Since 1984, BAT has acquired two British insurers, Eagle Star Holdings PLC and Allied Dunbar Assurance PLC, bolstering the company's slower growing tobacco lines.

Analysts Raise Estimates of Himont Net

PHILADELPHIA — Himont Inc.'s report of soaring third-quarter profit has led Wall Street to raise full-year forecasts for the company, but analysts' views on 1989 prospects remain mixed.

WALL STREET: 4 Years After Bailout, Continental Turning Around

(Continued from first finance page) parties had not yet received any solid proposal. It was also unclear how soon a sale might take place.

INTERNATIONAL CLASSIFIED

(Continued from Back Page) EMPLOYMENT EXECUTIVES AVAILABLE YOUNG POSITIVE US-Canadian lady seeks P/VA position for high culture executive...

WORLD FAMED NEW YORK LOTTERY WIN \$40,000,000 That's Forty Million U.S. Dollars! THE NEW YORK LOTTERY Pick Your Own Numbers Play Lotto 6/54 Get Rich in America's Biggest Lottery

Vertical text on the left margin: crats Clean Palme Inqu... CE... The Daily News

**Thursday's AMEX Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	12 Month Low	Stock	Div. Yld. PE	52 Wks High	52 Wks Low	Close	Chg.
12 1/2	11 1/2	ABX	11	20 1/4	19 1/4	19 1/4	+ 1/4
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8

12 Month High	12 Month Low	Stock	Div. Yld. PE	52 Wks High	52 Wks Low	Close	Chg.
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8

12 Month High	12 Month Low	Stock	Div. Yld. PE	52 Wks High	52 Wks Low	Close	Chg.
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1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8
1 1/2	1 1/4	ABM	11	1 1/2	1 1/4	1 1/4	+ 1/8

**INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) August 25, 1988**

Symbol	Name	Price	Chg.
ALMAGRO	ALMAGRO	29.10	-
AMERICAN	AMERICAN	114.90	-
AMERICAN	AMERICAN	106.20	-
AMERICAN	AMERICAN	106.20	-
AMERICAN	AMERICAN	106.20	-
AMERICAN	AMERICAN	106.20	-

**Floating-Rate Notes**

Symbol	Name	Price	Chg.
11 1/2	11 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11

**AMEX High-Lows**

Symbol	Name	Price	Chg.
11 1/2	11 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11

Be sure that your fund is listed in this space. Telex Matthew GREENE at 613595F for further information.

**CURRENCY MARKET**

**DOLLAR: Cur**

Continued from first finance page

Best rates may have to go higher to deal with inflation.

In London, the dollar shed nearly 2.5 pence, falling to 1.8655. The dollar also fell to 133.43 yen from 134.22, to 1.5725 Swiss francs from 1.5920, and to 6.3340 French francs from 6.4580.

The pound strengthened to \$1.0970 from \$1.0795 on Wednesday.

The British currency drew strength from the higher interest rate and the dollar's fall, though it fared less well against other currencies.

The pound's trade-weighted index advanced against currencies of its major

**GROWTH: U.S.**

While the GNP revision was small, the changes enhanced the prospects for continued economic growth, analysts said. Estimates of federal government purchases, personal consumption expenditures and business outlays for equipment were all revised upward. Figures were all revised upward. Figures were all revised upward.

With stronger final sales to manufacturers, businesses and the federal government and fewer goods on hand waiting to be sold, future production schedules are likely to be a bit higher in coming months than

**Thursday's OTC Prices**

HASDAQ prices as of 4:00 p.m. New York time. All prices are in dollars unless otherwise indicated.

Symbol	Name	Price	Chg.
11 1/2	11 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11
1 1/2	1 1/4	ABM	11

CURRENCY MARKETS

DOLLAR: Currency Weakens After European Moves

(Continued from first finance page) est rates may have to go higher to deal with inflation. In London, the dollar shed nearly 2.5 pence, falling to 1.8658 Deutsche marks from 1.8905. The dollar also fell to 133.43 yen from 134.22, and to 1.5755 Swiss francs from 1.5960, and to 6.3340 French francs from 6.4380. The pound strengthened to \$1.6970 from \$1.6795 on Wednesday. The British currency drew strength from the higher interest rate and the dollar's fall, though it fared less well against other currencies. The pound's trade-weighted index against currencies of its major trading partners was unchanged at 75.9, though the British currency fell to 3.1755 DM from 3.1798 on Wednesday. The market became turbulent during the morning after news that the British current account deficit for July was a record \$2.15 billion. The Bank of England soon signaled banks that it sought a 1 per-

London Dollar Rates table with columns for Closing, The, and West.

centage point base rate rise, to 12 percent, to stem the pound's fall. "Opinions in the market are split" on the pound's direction, said Mr. Earshaw. "The 1 percent rise in base rates was more than had been discounted by the market, and at best it will hold sterling for now." But sentiment toward the pound has changed after the trade figures, some said. British authorities may be forced to tighten monetary policy further to curb inflationary pressures, they added. After the base rate rise, Nigel Lawson, the chancellor of the Exchequer, said British interest rates probably need to stay at 12 percent for some time. (Reuters, UPI)

Inflation Links Rate Rises, But Country Factors Vary

Major European countries cited inflation fears as a reason for raising interest rates on Thursday, but other factors influenced the various choices. Below are some of the rationales for the moves. West Germany The Bundesbank acted to prop up a weak Deutsche mark and check inflation by raising its discount rate to 3.5 percent. The measure had been expected and was part of a global trend to costlier money as inflation threatens leading economies. Karl Otto Pöhl, the Bundesbank president, said the higher discount rate reflected a variety of domestic and foreign factors. On the domestic side, it was justified by recent increases in short-term money market rates and by money supply growth trends. He also said higher rates in other nations, especially in the United States, had also had some impact. But he did not think the Bundesbank's move would set off further global interest rate rises. Mr. Pöhl added that the current dollar rate was not as agreed in the Louvre accord on currency stabilization reached among seven leading industrial democracies in 1987 and that the Bundesbank would do all that it could to prevent a further mark devaluation. He did not specify agreed-upon dollar rates.

RATES: European Central Banks Raise Interest Costs

(Continued from Page 1) that inflation is heating up and the need to bring the nation's money supply growth, currently running at an annual rate of about 6.7 percent, back into the Bundesbank's 1988 target range of 3 to 6 percent. West German money supply expansion has been well above the targeted range over the past two years. The mark's weakness and the dollar's strength heighten the inflationary risks and threaten the process of reducing global trade imbalances, especially the U.S. trade deficit, agreed to by the Group of Seven industrial democracies, he added. The devaluation of the mark "is not just astonishing, it's bad," Mr. Pöhl said. "It's had for the price climate, bad for import prices, bad for the adjustment process, bad for the Louvre accord," he said. "International cooperation began unraveling just after the Toronto summit meeting. Everyone went home and began pursuing their own policies on inflation and growth. It's every man for himself now. The rate hikes over the past months are the end of the Louvre accord." Among the international factors influencing the Bundesbank's decision were the Deutsche mark's nearly 20 percent decline against the dollar since the beginning of 1988 and the differential between the relatively high U.S. interest rates and West German rates, he said. Mr. Pöhl said the Bundesbank felt obliged to act in light of the Fed's discount rate increase. Domestic factors included bringing the discount rate in line with a recent rise in West German money market interest rates, indications

GROWTH: U.S. Data Show Inflation Is Picking Up

(Continued from Page 1) well as price changes, rose from 1.7 percent in the first quarter to 5.1 percent in the second, also the highest rate since the third quarter of 1982. While the GNP revision was small, the changes enhanced the prospects for continued economic growth, analysts said. Estimates of federal government purchases, personal consumption expenditures and business outlays for equipment were all revised upward. Figures for additions to business inventories were scaled down. With stronger final sales to individuals, businesses and the federal government and fewer goods on hand waiting to be sold, future production schedules are likely to be a bit higher in coming months than they would have been after the mix of final sales and inventory accumulation reported by the department in its advance report in July, analysts said. But with the economy close to full employment — unemployment was at 5.4 percent in July — the prospects of continued economic growth at more than a 3 percent pace could mean more inflation, a number of economists said. Allen Sinai, chief economist for Boston Co., an economic forecasting firm, said: "We're into a boom with the kind of inflation that accompanies a boom." Robert Dederick, chief economist for Northern Trust Co. of Chicago, said: "The economy is growing much too fast and if it isn't reined in quickly, it is surely going to mean that inflation will be much more pronounced."

The Federal Reserve has already boosted short-term interest rates numerous times this year to put economic growth on a more acceptable, less inflationary path. The latest increase came earlier this month when the central bank increased its discount rate from 6 percent to 6.5 percent. Mr. Sinai said these circumstances probably would have an impact on the presidential campaign. "The political debate will more and more be stressing the inflationary consequences of an overheated economy," he said, "as a result of big deficits and heavy borrowing. I'd be surprised if the Democrats didn't pick up on that."

Britain

The British Treasury said Thursday that the Bank of England's increase in dealing rates to 12 percent from 11 percent was needed to control inflation. A spokesman said a sharp rise in July imports, taken together with other recent figures, "makes it clear that spending in the economy has been growing even faster than earlier envisaged."

France

The French decision to raise its tender offer rate to 7 percent from 6.75 percent and its securities repurchase rate to 7.75 percent from 7.5 percent runs counter to the initial objectives of the three-month-old Socialist government. The new government's first monetary policy decision was to cut interest rates at a time when France's major trading partners — West Germany, Britain and the United States — were raising them. But Thursday, the Finance Ministry said the government priority was "the stability of our currency to create durable conditions for a noninflationary economic growth in France." (Reuters, AFP, AP)

everything we can to prevent the mark from falling further. The "activities," to which Mr. Pöhl referred are the repeated dollar sales by the Bundesbank, the Fed and most other European central banks in recent weeks. Heavy dollar selling over the past six trading sessions has helped pull the dollar down from a high of 192.20 DM on Monday. The Bank of Japan has been conspicuously absent from the intervention, but Mr. Pöhl said that was due to domestic factors in Japan and was acceptable within the context of international cooperation. A senior official of the Japanese Finance Ministry told Agency-France Press that there was no need for an immediate change in Japan's monetary policy. Although industrial nations share the common purpose of sustaining economic growth without inflation, they are starting to differ in exactly how to achieve this, he said. An economist for a large West German bank said, "It's a much looser cooperation, more a coexistence at this point in time. Each country is facing different problems and they are largely dealing with them in their own, national ways." "While the cooperation still functions, there is a danger that we could see rate hikes in one place triggering rate hikes elsewhere and creating a situation of rivalry." The interest rate increases hurt bond prices. The yield on the benchmark 30-year U.S. Treasury bond rose to 9.45 percent from 9.40 percent on Thursday. The price fell 2/32 of a point to 96 23/32.

Thursday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the last most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table A: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table B: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table C: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table D: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table E: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table F: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table G: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table H: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table I: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table J: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table K: OTC prices for various stocks including ABB, ADC, ADI, etc.

Table L: OTC prices for various stocks including ABB, ADC, ADI, etc.

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SPORTS

Too Little, Too Late for Red Sox As Clemens Loses 4th in a Row

Compiled by Our Staff From Dispatches BOSTON — The California Angels thought Roger Clemens, the Boston Red Sox ace, lacked that something extra on his fastball. The Red Sox knew they were missing some pop in their bats.

Mike Witt allowed six hits in eight-plus innings for the Angels. He lost his shutout in the seventh when Ellis Burks doubled and Jim Rice singled him home.



Ross Morrison of the White Sox, caught between third base and home, trying to dance around Toronto pitcher John Ceruse's tag.

3 Agents and an NFL Player Charged in Payment Scheme

By William E. Schmidt New York Times Service CHICAGO — A federal grand jury here has indicted three agents and a member of the Philadelphia Eagles football team, finding that improper payments and threats of physical violence were used to induce more than 40 athletes to sign professional management contracts while they were in college.



A batboy watching Yankees Dave Winfield and Jack Clark share high-fives: the little innocent making his heroes look ever larger.

Squires to the Knights of Summer For Batboys, There's Glamour in the Dugout's Dirty Work

By William Gildea Washington Post Service WASHINGTON — It is a glamorous job, being a batboy. What kid has not wanted to be one? The pay is modest, but the perks are sensational. A batboy can be on a first-name basis with an idol.

Samaranch Drops Effort to Put Coe On U.K. Olympic Team as 'Wild Card'

By Karen DeYoung Washington Post Service LONDON — Three weeks of controversy in the world of British athletics have ended with the decision that Olympic gold medalist Sebastian Coe will not participate in the Olympic Games in Seoul next month.

SCOREBOARD BASEBALL

Table with 3 columns: Team, Score, and Status. Includes Major League Line Scores and Major League Standings.

TRANSITION

BASEBALL CLEVELAND — Formerly Detroit's labor union vice president for business, announced the resignation of Terry Bartholmeas, vice president of administrative services.

TENNIS U.S. Open Seedings

Seedings for the 1978 United States Open tennis tournament, which begins Monday at the National Tennis Center of New York:

FOOTBALL CFL Standings

Table with 4 columns: Team, W, L, PF, PA. Includes Eastern and Western Division standings.

WOMEN

Stanley U.S. 16, Heidi Lacoona, France 11, Novorizka, U.S. 12, Guillerme Perez, Sweden 11, Zina Garrison, U.S. 12, Barbara Ruffalo, Argentina, 13, Jonas B. Svensson, Sweden, 14, Andras Gormes, Ecuador, 15, Anders Jorrvad, Sweden, 16, John McEnroe, U.S.

SOCCER INTERNATIONAL FRIENDLIES

Yugoslavia 2, Switzerland 0; France 2, Czechoslovakia 1.

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OBSERVER

Pass the Great Lines

By Russell Baker
NEW YORK — After Governor Mike Dukakis's great speech, George Bush absolutely had to make a great speech too. Everybody said so, at least everybody who could get access to a television camera, and after you heard those TV-savvy guys and women announce that George Bush would have to make the greatest speech he had ever made in his life, how could you have the cheek to disagree with them?

Why are these men, Dukakis and Bush, able to make the greatest speeches of their lives when the caffeine-packed people who enjoy access to television say they've got to do it?
Because they have great speech writers. Don't be coyly cynical, don't pretend you thought all along that the greatest speeches of their lives, which these two splendid candidates made when they had to, were written by the men who made them. Nobody is as unwise-up as that anymore.

Enough vignette. Back to the Dukakis-Bush Greatest Speech of His Life competition:
Yes, Bush met the test. Sure, you slept through it, but everybody with access to a TV camera loaded up on caffeine, and afterward they all said it was the greatest speech of Bush's life.
Not one of the great speeches of all time, Not Demosthenes, Cicero, or Patrick Henry. Not Abraham Lincoln at Gettysburg, much less Ronald Reagan at the TelePromp-Ter. But for Bush, great. Greatest speech he ever made.

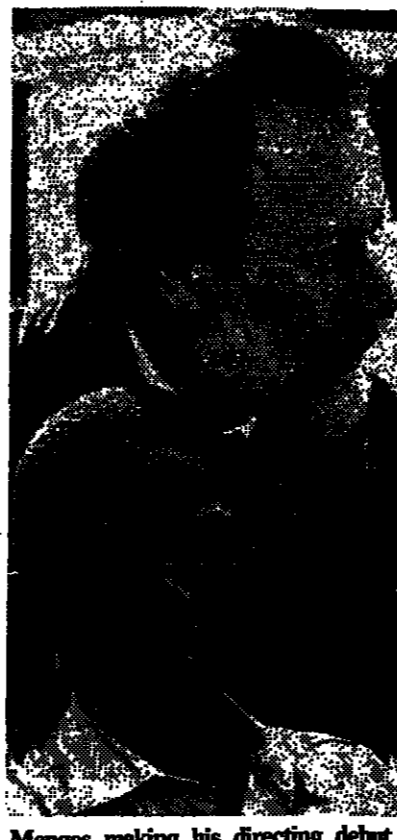
During World War II Winston Churchill, speaking in his own words, said, "Give us the tools, and we will finish the job." Nowadays great men say, "Give me the greatest speech of my life and I will read it in a way that will knock the socks off the caffeine-soaked television speech appreciators."
There are people, mean-spirited people, who sneer at our democratic institutions, saying, "If the speech is such a vital index to greatness, we ought to vote for the speech writers instead of the people who read their words aloud to the wakeful hundreds of the caffeine-beatniks?"

Not one of the great speeches of all time, Not Demosthenes, Cicero, or Patrick Henry. Not Abraham Lincoln at Gettysburg, much less Ronald Reagan at the TelePromp-Ter. But for Bush, great. Greatest speech he ever made.
Just like Dukakis's great speech, not an all-time great speech, but

Chris Menges Seeks the Right Light

By Kim Heron
New York Times Service

CHRIS is always dragging me outside in the moonlight and saying, "What color is that?" Judy Freeman looks over at her husband and laughs, as if conjuring up all the moments they have spent in pursuit of intangibles.
"You see, I've always thought of moonlight as very blue," Chris Menges muses. "Light is a very emotional thing — I think about it all the time."



Menges making his directing debut.

Menges, a cinematographer and director of the recently released "A World Apart," is a storyteller with light. For 25 years, he has worked at capturing it, altering it, masking it, unveiling it. In the arcane world of technical lighting — the backbone of cinematography, where expertise translates into "knowing what the emulsion will take" — he is known as a master of the natural, believable image.

On this gloriously sunny day, high on a hilltop in Wales, Menges is hard at work: noting the way light filters into the family's stone farmhouse, brightening the room in which he sits, yet leaving the corners in a personal, cool glow; gesturing through the doorway to the room behind, where the whitewashed walls pick up an aquarium-like glow from the greenery outside the open window. He seems to breathe in the surroundings like pure oxygen. "I often walk through the house," he says, "looking at the way the light changes things."

away, I'm afraid." He talks about the first scene he shot on "The Killing Fields," an explosion that takes place on a crowded Phnom Penh street. In describing the action, which required split-second timing and special effects, he returns to the restrained, evocative language of light: "If you've ever been blown up," he says, "you know it's bloody and it's smoky and it's dark. It's always about darkness."
In 1963, Granada Television sent Menges, a 22-year-old aspiring cameraman, to South Africa, the first stop on a journey that would take him to Rhodesia, Angola, the Congo, Cyprus and Algeria. Earlier that year, the South African government had sentenced two leaders of the banned African National Congress, Nelson Mandela and Walter Sisulu, to life in prison. The "90-Day Detention Act" — under which the security forces could detain anyone for 90 days without charges — had just been enacted. Menges stood on street corners in Johannesburg and walked through the nearby townships, clandestinely filming the political upheaval under apartheid. Dressed in tourist garb, he hid his work with a 16-millimeter camera.
More than 20 years later, in the semi-autobiographical script for "A World Apart," Menges found a complex and emotional

story as rugged as life itself. In the film, the events he witnessed are revisited through the eyes of Molly, the white, 13-year-old daughter of Gus and Diana Roth. Though they are prominent political activists, Molly is safely swathed in an adolescent world of Spanish-dance classes and Hula Hoops, until her father disappears in the middle of the night and her mother becomes the first white woman arrested under the 90-day act. The crisis between mother and daughter — Molly, with her unpoliticized demands for attention, Diana with her dedication to the liberation struggle — is the basis for a tale about love and abandonment and forgiveness.

Shawn Slovic, the Molly of the movie, had based the screenplay on her life in Johannesburg with her parents and two younger sisters. (For personal reasons, she changed the names.) Gus Roth is her father, Joe Slovic, the head of the South African Communist Party and a former leader of the military wing of the ANC, who now lives in Zambia. Diana Roth is her mother, Ruth First, also a leading ANC member, and a journalist. First was killed in 1982 in Maputo, Mozambique, by a parcel bomb, the suspected work of South African Government agents.

As his experiences in Southeast Asia had prepared him to shoot "The Killing Fields," so Menges's early impressions of South Africa had given him a feel for the literal context of "A World Apart." But this time, he would come out from behind the camera to direct. This time, the emotional context was profoundly familiar. "Choosing to take a stand, whatever the issue, involves an immense sacrifice and immense emotional problems for the people you're involved with," Menges says. "I wanted to make the film partly to work out things about my own childhood and my own children. And I completely trusted the story. I think people often separate politics from everyday life, not understanding that politics is everyday life."

"A World Apart" opened in New York in mid-June, after winning a Special Jury prize at the Cannes film festival and best actress awards for Barbara Hershey, as Diana Roth, Linda Mvusi, as the Roth's black housekeeper, and 13-year-old Jodie May, as Molly. The latter two had no formal acting experience; casting scouts found May at her London grammar school; Mvusi, through acquaintances in Harare, Zimbabwe. Menges says he prefers working with nonprofessionals because of the spontaneity they bring (his relationship with Hershey was strained because she worked on the film), and this talent brought to the documentary style carried over into many scenes in the film — a visit to a township, a funeral for a black activist tortured to death in prison — where the

players were often simply acting from life experience.
There was noisy conflict on the set, Mvusi says. "There were many battles. Many of us felt very strongly that the 'black story' was too tragic to be left in the background. But when I saw it on the big screen, I thought, 'We didn't lose the battles.' Chris is such a rich man in his experiences that he is completely unthreatened. This kind of collaboration made it possible to bring some of the multilayered reality of the culture into the film. Look at the township scenes. They are extremely sympathetic, because they are true."

Judy Freeman balances Menges's reserve with an intense and gregarious personality and no small measure of professionalism. If he is the dreamer, she is the guardian of the dream — organizing his schedule, fielding his telephone calls, seeing that enough time is set aside for his five children from his first marriage. Married 10 years, the couple have no children themselves; projects keep them working continuously, often together — she as a sound recorder. The wrenching dislocations of such a life-style are "horrendous," says Freeman, "but we've never done anything else, really."

On this summer afternoon, having just launched "A World Apart," they are already searching through the scripts that have piled up in their absence, looking for the next project. Menges would like to direct again, but he will shoot a film "if the material interests me. The most important thing is the story." Money won't be the deciding factor. His \$100,000 fee as director of "A World Apart" was considerably more than most of his projects have paid, more, even, than his fee for cinematography on movies with much larger budgets, such as "The Killing Fields" and "The Mission," the story of a historic struggle between slave traders and Jesuit missionaries in 18th-century South America.

For cinematography work, Menges carries the standard assortment of incandescent and arc lights and the accessories to "harness" them — the "barndoors" that regulate the intensity of the beam; the silver or black cotton "flags" stretched taut over metal frames and silver or white reflectors that diffuse the light; the filters that color it; the "zooms" and nets that soften it. Always, the goal is the same — as Peter Bloor, Menges's gaffer, puts it: "keeping things completely natural."
If you look at a painting by a Dutch master, there'll be a woman standing near one small window, with the light coming past her and bouncing all about the room, but softly. That's what Chris's work is like, and it's a lot harder to do than it looks."
Excerpted from The New York Times Magazine.

PEOPLE

Elvis Presley Costume Bought for \$43,700

Warren Stone of the Hard Rock Cafe in Los Angeles has paid \$43,700 for "Shooting Star," a 1978 time Elvis Presley wore at a 1978 concert at Madison Square Garden in New York. At a London auction, a pair of autographed shoes once worn by Michael Jackson fetched £3,300 (\$5,550).

Marla Singer, 38, the American opera singer, is seeking a divorce from Sir Peter Hall, 57, the director of Britain's National Theatre, because of his "unreasonable behavior."

Hall leaves the National Theatre next month after 19 years as its head. He will join a new company that is planning a production of Tennessee Williams's "A Glass Menagerie," starring Vanessa Redgrave.

Clive Cussler has made a \$5.7 million deal for two new novels to be published by Simon & Schuster and Pocket Books. The novels have no titles, but must feature Cussler's character Dirk Pitt, who has been called an American James Bond. Ever since breaking through in 1976 with "Raise the Titanic," Cussler's books have been on the best-seller charts.

Charles Webb's 1962 novel "The Graduate" became a smash-hit movie evoking the discontent of a generation fed up with materialism. "It's hard to make anybody believe the author of 'The Graduate' needs money," said Webb who said he is destitute. He hopes to find a publisher for a compilation of writings on prejudice.

A Phoenix, Arizona, radio station manager said that the hiring of Jessica Hahn was more than a publicity stunt. Hahn, whose sexual encounter with Jim Bakker led to the PTL evangelist's downfall, has signed a 30-day contract as one of the station's morning show personalities.

President Francois Mitterrand of France sent a "cordial testimony of my admiration" to the U.S. composer-conductor, Leonard Bernstein, who celebrated his 70th birthday on Thursday. Mitterrand, "rejoiced" at the prospect of a concert Oct. 14 in Paris by the London Symphony Orchestra under the baton of Bernstein.

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE
Appears on page 6

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